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13 FEB 1952

MEMORANDUM FOR: General Counsel

SUBJECT : Notes for Briefing

1. Following paragraphs are furnished, and attachments forwarded, per conversation of Messrs. Houston and Pforzheimer with Messrs. Millikan and [REDACTED] on 11 February.

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2. ORR's work is focused on the economy of the Soviet orbit. It is of three types: basic research, coordination, and intelligence support.

3. The basic research program of ORR has as its purpose the most accurate possible determination of the capabilities of the Soviet economy to support a war effort. The scarcity of overall information from behind the iron curtain makes it necessary to set considerable numbers of people at work sifting through every scrap of information which can contribute to our picture of what the Soviets can do. A panel of industrial consultants thought from 2,000 to 3,000 persons would be needed; ORR now has 739 on board and on order, expected to have 856 by 1 July 1952 and asked for 1,122 — the maximum number of competent personnel it was thought possible to recruit — by 1 July 1953. The salaries of even 3,000 people would not be a proportionately large expense when viewed as an effort to estimate the precise nature and extent of a threat the US is spending upwards of a hundred billion a year to meet. PR-3, The Electron Tube Industry in the USSR, attached, and MP-35 (the "comparative study", TS, distribution order limited by DCI /TAC-M-10, 7 December 1950/ and some additional distribution within CIA approved by DDCI about 26 October 1950 — forwarded separately) are examples of RR production in basic research. ORR strives constantly to develop new techniques of research; the attached [REDACTED] illustrates one new approach from which much is hoped.

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4. By coordination ORR mobilizes Government and extra-Government research resources, in order that all existing knowledge and skills may be drawn upon in the intelligence effort and wasteful duplication avoided. The National Intelligence Survey program of area studies is produced by the cooperation of many Government departments; the program was established at the direction of the NSC (NSCID 3) and priorities are determined by

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the JCS. Attached are Chapters V and VI of NIS-27, Turkey, a country of highest priority (the NIS is written by sections of chapters; no area has been completely finished) and also sections 70, 74, and 76 of NIS 26, USSR, recently revised under the NIS maintenance program. The Economic Intelligence Committee and its subcommittees coordinate foreign-economic-intelligence research within the intelligence community and also draw on experts in many other Government departments. Its progress report of 12 January 1952 is attached and its first published study, The Status and Effectiveness of Controls Against China, will be forwarded as soon as it is available. A particular type of coordination is contracting with non-Government sources of special competence; the attached IR-1, Geodetic Gravimetry in the USSR is an example of the output of one such contract.

5. ORR furnishes intelligence support to other Government groups as well as to other CIA Offices. ORR contributions have furnished the substance for the economic portions of several National Intelligence Estimates, such as NIE-33 on the satellites (TS; copy attached). Extra-CIA support is exemplified by SE-16, attached, which, reworked by a joint [redacted] group for whom ORR coordinated the economic sections, furnished the basis for NATO discussions of Soviet-Bloc capabilities.

[redacted]
Acting Assistant Director
Research and Reports

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